

## Message Text

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46

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 L-03 EB-07 SS-15 /033 W

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R 090939Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2512

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E.O. 11652: N/A

TAGS: EFIN, RP

SUBJECT: RP- US TAX CONVENTION

REF: STATE 264990

ALSO FOR ATTENTION L/T

1. EMBASSY OFFICERS HAVE DISCUSSED WITH RP PANEL CHAIRMAN PIO DE RODA AND VICE CHAIRMAN TOLEDO THE MOST APPROPRIATE MEANS OF DEALING WITH ERRATA TO THE RP - US TAX CONVENTION. WE ARE AGREED THAT, RATHER THAN AN EXCHANGE OF NOTES, IT MIGHT BE PREFERABLE TO EFFECT THE MINOR CHANGES INVOLVED BY RETYPING THE NECESSARY PAGES. AT THE SAME TIME, THE FINAL PAGE OF THE CONVENTION COULD ALSO BE RETYPED FOR SIGNATURE (BUT DATED OCTOBER 1), SINCE THIS PAGE (PHILIPPINE COPY) WAS SOMEWAHT DISFIGURED DURING THE SIGNING IN MANILA. AN OPPORTUNITY FOR REPEATING THE SIGNING WILL OCCUR LATER THIS MONTH, SINCE SECRETARY VIRATA IS PLANNING A TRIP TO WASHINGTON FOR DISCUSSIONS WITH THE WORLD BANK. THIS PROCEDURE STRIKES US AS SIMPLER AND CLEANER THAN AN EXCHANGE OF NOTES, ASSUMING THAT IT IS ACCEPTABLE TO THE DEPARTMENT.

2. WE PRESUME THAT TREASURY HAS BY NOW RECEIVED THE VIRATA TO SIMON LETTER DATED OCTOBER 12, WHICH HAS AN ATTACHED LIST OF ERRATA. IT IS NOTED THAT THE U.S. LIST IN REFTEL AND THE PHILIPPINE LIST VARY IN THREE RESPECTS: ITEM 11 AND 14 ON THE U.S. LIST DO NOT APPEAR ON THE RP LIST, AND ITEM 9 READS "PHILIPPINE"

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IN THE U.S. VERSION, "PHILIPPINES" IN THE RP VERSION.

TOLEDO AGREES THAT THE U.S. LIST IS CORRECT, INCLUDING THE ITEMS AT VARIANCE NOTED ABOVE.

3. WITH RESPECT TO THE INTERPRETATION OF PARAGRAPH (2) OF ARTICLE 23 (RELIEF FROM DOUBLE TAXATION), EMBASSY AND RP PANEL AGREE THAT THIS WOULD BE APPROPRIATELY HANDLED BY AN EXCHANGE OF NOTES, AS PROPOSED IN REFTEL. PENDING DEPARTMENT'S INSTRUCTIONS ON OUR PROPOSED METHOD OF HANDLING THE RRATA, HOWEVER, WE WILL HOLD THIS EXCHANGE OF NOTES IN ABEYANCE.

4. THE GOP DOES NOT HAVE ANY DIFFICULTY, AS EARLIER THOUGHT, WITH THE PERMANENT ESTABLISHMENT AND SOURCE OF INCOME PROVISIONS. THE RP PANEL CONCLUDED THAT ALTERATIONS FROM THE DRAFT TEXT WERE MATTERS OF STYLE ONLY.

5. EMBASSY WILL REPORT AS SOON AS EXACT DATES OF VIRATA'S VISIT TO WASHINGTON ARE KNOWN.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, AGREEMENT DRAFT, TEXT, TAXES, AMENDMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 264990  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
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**Subject:** RP- US TAX CONVENTION  
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